

**Testimony of the
International Union of Operating Engineers Local 478
before the
Labor and Public Employees Committee
on Raised Bill 6462
March 3, 2009**

The Operating Engineers Local 478 is testifying in favor of Raised Bill 6462, An Act Concerning Certified Payrolls. This bill requires that Certified Payrolls be submitted by U.S. Mail to the contracting agency. This will make the submitting of a false certified payroll a Federal crime punishable by a fine or up to 20 years in prison or both under Title 18, Part I, Chapter 63 Section 1341 of the U.S. Code.

The reason this change is needed is that currently the only punishment for submitting a false payroll is a \$5000 fine levied by the Connecticut Department of Labor and the requirement to pay back wages that were not paid under the law. This has not proven to be much of a deterrent, as can be seen by the case of Capstone Building Corporation at UCONN. About 25 of the 30 subcontractors that they used were forced to pay back almost 1 million dollars to workers. That means that the only downside to not paying workers what they are entitled to by law is a \$5000 civil fine. Risking a \$5000 from the State of Connecticut to save almost \$1 million seems like a reasonable risk for a business person to take for the ability to cut their price and win a bid, especially when the fine is being levied only if you are caught by a department that has 3 inspectors, downsized from 8, to inspect all of the prevailing wage jobs going on in the state of Connecticut.

We feel that making it a Federal crime to do so will make contractors less likely to take a chance. This will lead to honest contractors that bid on their ability to manage a project well winning more bids, the Connecticut residents that work for them and pay taxes here being on the jobs and help to prevent bottom feeders that can only compete by reducing wages and eliminating benefits from doing our work in Connecticut.